GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:462
ANSWERED ON:26.04.2002
LOSS MAKING PSUS
A.F. GOLAM OSMANI;SHYAMA SINGH

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the attention of the Government has been drawn to a news item regarding Mounting losses in top ten public sector undertakings in `The Hindustan Times` of March 25, 2002;

(b) if so, the reasons for the losses;

(c) whether there is large scale resentment among the employees of public sector undertakings due to anti-labour policies pursued by the Government and also on account of non-payment of salaries in certain Public Sector Undertakings;

(d) if so, the details of such Public Sector Undertakings; and

(e) the corrective measures taken by the Government to reduce the losses in Public Sector Undertakings and also to pay the arrears of salaries to the employees of Public Sector Undertakings at the earliest ?

Answer

THE MINISTER FOR HEAVY INDUSTRIES & PUBLIC ENTERPRISES (SHRI MANOHAR JOSHI)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. 462 FOR REPLY ON 26.4.2002 REGARDING LOSS MAKING PSUS BY SHRI A.F. GOLAM OSMANI AND SHRIMATI SHYAMA SINGH

(a) : Yes, Sir.

(b) The reasons for losses are enterprise specific. However, some of the common reasons include inherited sickness in case of taken over PSUs, obsolete plant and machinery, outdated technology, low capacity utilisation, surplus manpower, resource crunch, high input cost, high interest burden, severe competition and managerial problems etc.

(c) & (d) : Some representations have been received from the Employees`/Workers` Unions of Public Sector Undertakings expressing resentment of the employees of public sector undertakings regarding Government policies on PSUs and labour issues as also due to non-payment of wages / salaries to the employees of some PSUs. The names of the enterprises in which payment of salaries / wages are pending, as per information available, is annexed.

(e) The policy of the government is to restructure or revive potentially viable PSUs,close down PSUs which cannot be revived and protect the interest of workers. Enterprise-specific measures are taken by the administrative Ministries / Management of PSUs in consultation with various stakeholders including workers` representatives with a view to reduce losses and improve performance. Some of the measures include periodical review of the performance by the concerned administrative Ministries / Departments, referring sick industrial PSUs whose net-worth has become negative to Board of Industrial and Financial Reconstruction (BIFR) for formulation of revival / rehabilitation schemes, business and financial restructuring, improving order book position, implementation of purchase preference policy, rightsizing manpower, improved marketing strategies, cost control measures etc.

The PSUs are expected to pay wages and salaries of the employees from their internal resources. However, due to financial constraints faced by some PSUs, budgetary support is provided on a case to case basis.

ANNEXURE AS REFERRED TO IN THE STATEMENT OF REPLY TO LOK SABHA STARRED QUESTION NO.462 FOR ANSWER ON 26.04.02.

PSU-wise position of salaries and wages of employees outstanding as on 31.12.2001 as per information available in respect of 187 enterprises.

(Rs. in Lakhs)

Sl. No.	Name of CPSU	Outstanding salaries / wages (Approx.)
1.	Bengal Immunity Ltd.	107.70
2.	Bharat Heavy Electricals Ltd.	0.26
3.	Bharat Refractories Ltd.	2562.54
4.	Birds, Jute & Exports Ltd.	16.00
5.	Cement Corpn. Ltd.	1131.45
6.	Heavy Engineering Corporation	912.00
7	Hindustan Photo Films. Mfg. Ltd.	319.41
8.	Hindustan Salts Ltd.	89.75
9.	Hindustan Steelworks Const. Ltd.	12848.03
10.	HMT Ltd.	976.00
11.	Hospital Services Cons. Ltd.	0.01
12.	Indian Drugs and Pharma. Ltd.	1133.00
13.	Instrumentation Ltd.	975.00
14.	Mazagon Dock Ltd.	0.97
15.	National Building Cons. Corp. Ltd.	260.88
16.	National Industrial Dev. Corp.	533.00
17.	National Jute Manufacture Corp. Ltd.	3123.00
18.	National Projects Con. Corp. Ltd.	1885.00
19.	National Seeds Corporation Ltd.	189.23
20.	NEPA Ltd.	1282.00
21-30.	NTC & Subsidiaries	8389.00
31	Richardson & Crudass (1972) Ltd	460.00
32	Sambhar Salts Ltd.	112.46
33	Smith Stanistreet & Pharma. Ltd.	64.00
34	State Farms Corporation Ltd.	450.00
35	Tea Trading Corpn.	1030.00
36	Triveni Structurals Ltd.	270.00
37	Tungbhadra Steel Products Ltd.	126.72
38	Tyre Corporation of India Ltd.	183.12
Total		39430.53